

Money Market Withholding Tax - Gross

PURPOSE

To show illustration of money market withholding tax gross.

OVERVIEW

- i. Loan revalued to period end closing rate.
- ii. No revaluation on interest expense.
- iii. Withholding Tax Calculation based on gross.

TRANSACTION DETAILS

Accounting Base Ccy
Trade ID
Trade Date
Value Date
Maturity Date
Currency
Amount
Rate
Accrual Method
Total Interest
Maturity Amount
Withholding Tax
Withholding Tax Basis
USD
MMK1001
3-Feb-03

3-Feb-03
3-Apr-03
SGD
1,000,000.00
5.1232%
Act/365
8,281.34
1,008,281.34
10%
Gross

SUMMARY OF JOURNALS

ID	Date	Description
J1	3-Feb-03	Money Market Loan Start.
J2	28-Feb-03	Withholding Tax Provision
J3	28-Feb-03	Money Market Month End Accruals.
J4	1-Mar-03	Reversal Money Market Month End Accruals.
J5	31-Mar-03	Withholding Tax Provision
J6	31-Mar-03	Money Market Month End Accruals.
J7	1-Apr-03	Reversal Money Market Month End Accruals.
J8	3-Apr-03	Money Market Loan Maturity.

J1 Money Market Loan Start.

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
MMK1001	3-Feb-03	B	Cash at Bank	SGD	1,000,000.00	0.567456	USD	567,456.38	J1a
MMK1001	3-Feb-03	B	MMK-Loan	SGD	-1,000,000.00	0.567456	USD	-567,456.38	J1b

Note J1a: The booking rate on 3-Feb 2003 is 1.76225 (multiplier 0.567456). The rate is rounded to 6dp for display. Full precision is used in calculation.

J2**Withholding Tax Provision**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
MMK1001	28-Feb-03	B	Withholding Tax Provision - DR	SGD	405.49	0.568919	USD	230.69	J2a
MMK1001	28-Feb-03	B	Withholding Tax Provision - CR	SGD	-405.49	0.568919	USD	-230.69	J2b

Note J2b: Calculation of Withholding Tax

Start date	3-Feb-03	
Month End Date	28-Feb-03	
Days (include 28-Feb)	26	= A
Start date	3-Feb-03	
Maturity Date	3-Apr-03	
Days (exclude 3-Apr)	59	= B
Total Interest	8,281.34	= C
Period Interest	3,649.40	$D = C * A/B$
10% Withholding Tax	405.49	$= D / 90% * 10%$

J3**Money Market Month End Accruals.**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
MMK1001	28-Feb-03	P	MMK-Loan Interest Expense	SGD	3,649.40	0.568919	USD	2,076.21	J3a

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
MMK1001	28-Feb-03	B	MMK- Loan Interest Payables	SGD	-3,649.40	0.568919	USD	-2,076.21	J3b
MMK1001	28-Feb-03	B	MMK - Loan	SGD	0.00		USD	-1,462.45	J3c
MMK1001	28-Feb-03	P	FX - Unrealised Losses - Capital	SGD	0.00		USD	1,462.45	J3d

Note J3a: The closing rate on 28-Feb-2003 is 1.75772 (multiplier 0.568919). The rate is rounded to 6dp for display. Full precision is used in calculation.

Note J3b: Calculation of Accrual in SGD

Start date	3-Feb-03	
Month End Date	28-Feb-03	
Days (include 28-Feb)	26	= A
Start date	3-Feb-03	
Maturity Date	3-Apr-03	
Days (exclude 3-Apr)	59	= B
Total Interest	8,281.34	= C
Period Interest	3,649.40	$D = C * A/B$

Note J3c: The unrealised loss on the revaluation of the loan is analyzed as follows:

	SGD	Rate+	USD
At Closing Rate	1,000,000.00	0.568919	568,918.83
At Start Date	1,000,000.00	0.567456	567,456.38
	Loss in exchange		-1,462.45

+ Rates used for calculation are in full precision. Illustrated rates are rounded to 6dp.

J4 Reversal Money Market Month End Accruals.

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
MMK1001	1-Mar-03	P	MMK - Loan Interest Expense	SGD	-3,649.40	0.568919	USD	-2,076.21	J4a
MMK1001	1-Mar-03	B	MMK - Loan Interest Payables	SGD	3,649.40	0.568919	USD	2,076.21	J4b
MMK1001	1-Mar-03	B	MMK - Loan	SGD	0.00		USD	1,462.45	J4c
MMK1001	1-Mar-03	P	FX - Unrealised Losses-Capital	SGD	0.00		USD	-1,462.45	J4d

J5 Withholding Tax Provision

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
MMK1001	31-Mar-03	B	Withholding Tax Provision - DR	SGD	483.47	0.577434	USD	279.17	J5a
MMK1001	31-Mar-03	B	Withholding Tax Provision - CR	SGD	-483.47	0.577434	USD	-279.17	J5b

Note J5b: Calculation of Withholding Tax

Start date	1-Mar-03	
Month End Date	31-Mar-03	
Days (include 31-Mar)	31	= A
Start date	3-Feb-03	

Maturity Date	3-Apr-03	
Days (exclude 3-Apr)	59	= B
Total Interest	8,281.34	= C
Period Interest	4,351.21	D = C * A/B
10% Withholding Tax	483.47	= D / 90% * 10%

J6 Money Market Month End Accruals.

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
MMK1001	31-Mar-03	P	MMK - Loan Interest Expense	SGD	8,000.62	0.577434	USD	4,619.83	J6a
MMK1001	31-Mar-03	B	MMK - Loan Interest Payables	SGD	-8,000.62	0.577434	USD	-4,619.83	J6b
MMK1001	31-Mar-03	B	MMK - Loan	SGD	0.00		USD	-9,977.50	J6c
MMK1001	31-Mar-03	P	FX - Realised Losses-Capital	SGD	0.00		USD	9,977.50	J6d

Note J6a: The closing rate on 31-Mar-2003 is 1.73180 (multiplier 0.577434). The rate is rounded to 6dp for display. Full precision is used in calculation.

Note J6b: Calculation of Accrual in SGD

Start date	3-Feb-03	
Month End Date	31-Mar-03	
Days (include 31-Mar)	57	= A
Start date	3-Feb-03	
Maturity Date	3-Apr-03	
Days (exclude 3-Apr)	59	= B
Total Interest	8,281.34	=C
Period Interest	8,000.62	D = C * A/B

Note J6c: The unrealised loss on the loan is analyzed as follows:

	SGD	Rate+	USD
At Closing Rate	1,000,000.00	0.577434	577,433.88
At Start Date	1,000,000.00	0.567456	567,456.38
	Loss in exchange		-9,977.50

+ Rates used for calculation are in full precision. Illustrated rates are rounded to 6dp.

J7 Reversal Money Market Month End Accruals.

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
MMK1001	1-Apr-03	P	MMK - Loan Interest Expense	SGD	-8,000.62	0.577434	USD	-4,619.83	J7a
MMK1001	1-Apr-03	B	MMK - Loan Interest Payables	SGD	8,000.62	0.577434	USD	4,619.83	J7b
MMK1001	1-Apr-03	B	MMK - Loan	SGD	0.00		USD	9,977.50	J7c
MMK1001	1-Apr-03	P	FX - Unrealised Losses-Capital	SGD	0.00		USD	-9,977.50	J7d

J8 Money Market Loan Maturity.

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
MMK1001	3-Apr-03	P	MMK - Loan Interest Expense	SGD	8,281.34	0.581416	USD	4,814.90	J8a
MMK1001	3-Apr-03	B	MMK - Loan	SGD	1,000,000.00	0.567456	USD	567,456.38	J8b
MMK1001	3-Apr-03	B	Cash at Bank	SGD	-1,008,281.34	0.581416	USD	-586,230.53	J8c

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
MMK1001	3-Apr-03	P	FX - Realised Losses - Capital	SGD	0.00		USD	13,959.25	J8d
MMK1001	3-Apr-03	B	Withholding Tax Provision - DR	SGD	31.19	0.581416	USD	18.13	J8e
MMK1001	3-Apr-03	B	Withholding Tax Provision - CR	SGD	-31.19	0.581416	USD	-18.13	J8f

Note J8a: The closing rate on 3-Apr-2003 is 1.71994 (multiplier 0.581416). The rate is rounded to 6dp for display. Full precision is used in calculation.

Note J8d: The realised loss on the loan is analyzed as follows:

	SGD	Rate+	USD
At Closing Rate	1,000,000.00	0.581416	581,415.63
At Start Date	1,000,000.00	0.567456	567,456.38
	Loss in exchange		-13,959.25

+ Rates used for calculation are in full precision. Illustrated rates are rounded to 6dp.

Note J8f: Calculation of Withholding Tax

Start Date	1-Apr-03	
Month End Date	3-Apr-03	
Days (include 3-Apr)	2	= A
Start Date	3-Feb-03	
Maturity Date	3-Apr-03	
Days (exclude 3-Apr)	59	= B

Total Interest	8,281.34	= C
Period Interest	280.72	D = C * A/B
10% Withholding Tax	31.19	= D / 90% * 10%

EXCHANGE RATES

Our illustration assumes the company uses different daily exchange rates for accounting.

The following rates were used for this illustration.

Spot rate

Date	USD/SGD	SGD/USD*
3-Feb-03	1.762250	0.567456
28-Feb-03	1.757720	0.568919
31-Mar-03	1.731800	0.577434
3-Apr-03	1.719940	0.581416

*Rates used for calculation are in full precision. Illustrated rates are rounded to 6dp.

FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

CHANGE HISTORY

Date	By	Changes
26-Aug-2010	CS	Creation.
23-Jun-2016	RJ	Reformatted.
5-May-2020	LT	Re-formatting.